

Financier Starts Sentence in Prostitution Case

nytimes.com

The bad news arrived by phone last week on Little St. James Island, the palm-fringed Xanadu in the Caribbean where Jeffrey E. Epstein, adviser to billionaires, lives in secluded splendor.

Report to the Palm Beach County jail, the caller, Mr. Epstein's lawyer, said.

So over the weekend Mr. Epstein quit his pleasure dome, with its staff of 70 and its flamingo-stocked lagoon, and flew to Florida. On Monday morning, he turned himself in and began serving 18 months for soliciting prostitution.

"I respect the legal process," Mr. Epstein, 55, said by phone as he prepared to leave his 78-acre island, which he calls Little St. Jeff's. "I will abide by this."

It is a stunning downfall for Mr. Epstein, who grew up in Coney Island and went on to live the life of a billionaire, only to become a tabloid monument to an age of hyperwealth. Mr. Epstein owns a Boeing 727 and the largest town house in Manhattan. He has paid for college educations for personal employees and students from Rwanda, and spent millions on a project to develop a thinking and feeling computer and on music intended to alleviate depression.

But Mr. Epstein also paid women, some of them under age, to give him massages that ended with a sexual favor, the authorities say.

Federal prosecutors initially threatened to bring him to trial on a variety of charges and seek the maximum penalty, 10 years in prison. After years of legal wrangling, Mr. Epstein pleaded guilty to lesser state charges.

Upon his release from jail, he must register as a sex offender wherever he goes in the United States.

People from all walks of life break the law, of course. But for the rich, wrapped in a cocoon of immense comfort, it can be easy to yield to temptation, experts say.

"A sense of entitlement sets in," said Dennis Pearne, a psychologist who counsels people on matters related to extreme wealth. The attitude, he said, becomes, "I deserve anything I want, I can have anything I want — and I can afford it."

To prosecutors, Mr. Epstein is just another sex offender. He did what he did because he could, and because he never dreamed he would get caught, they say. Mr. Epstein's defenders counter that he has been unjustly persecuted because of his wealth and lofty connections.

Sitting on his patio on "Little St. Jeff's" in the Virgin Islands several months ago, as his legal troubles deepened, Mr. Epstein gazed at the azure sea and the lush hills of St. Thomas in the distance, poked at a lunch of crab and rare steak prepared by his personal chef, and tried explain how his life had taken such a turn. He likened himself to Gulliver shipwrecked among the diminutive denizens of Lilliput.

"Gulliver's playfulness had unintended consequences," Mr. Epstein said. "That is what happens with wealth. There are unexpected burdens as well as benefits."

Those benefits are on full display on his island where, despite his time in jail, Mr. Epstein has commissioned a new estate. The villa will occupy the island's promontory, which offers views of the

Atlantic on one side and the Caribbean on the other. It will have a separate library to house Mr. Epstein's 90,000 volumes, a Japanese bathhouse and what he calls a "Ziegfeld" movie theater.

For now, however, those visions of a private paradise have been replaced by the cold reality of a jail cell.

The legal drama began in 2005, when a young woman who gave Mr. Epstein massages at his Palm Beach mansion told the local police about the encounter. She was 14 at the time, and was paid \$200.



Jeffrey E. Epstein's booking photo. Credit Palm Beach County Sheriff's Office

The police submitted the results of their investigation to the state attorney, asking that Mr. Epstein be charged with sexual relations with minors. His lawyers say Mr. Epstein never knew the young women were under age, and point to depositions in which the masseuses — several of whom have filed civil suits — admitted to lying about their age.

In July 2005, a Florida grand jury charged Mr. Epstein with a lesser offense, soliciting prostitution. Mr. Epstein's legal team, which would eventually include the former prosecutor Kenneth W. Starr and the Harvard law professor Alan M. Dershowitz, was elated: Mr. Epstein would avoid prison.

But then the United States attorney's office in Miami became involved. Last summer, Mr. Epstein got an ultimatum: plead guilty to a charge that would require him to register as a sex offender, or the government would charge him with sexual tourism, according to people who were briefed on the discussions.

David Weinstein, an attorney in the government's Miami office, declined to discuss the specifics of the case. But he did address the subject of Mr. Epstein's means and prominent legal team, and dismissed a proposal by Mr. Epstein's lawyers — who opposed the application of federal statutes in the case — that he be confined to his house in Palm Beach for a probationary period.

"In their mind that would be an adequate resolution," Mr. Weinstein said. "Our view is that is not enough of a punishment to fit the crime that occurred."

The lurid details of the case have captivated wealthy circles in Palm Beach and New York and transformed Mr. Epstein, who shuns publicity and whose business depends on discretion, into a figure of public ridicule.

He said he has been trailed by stalkers and has become the target of lawsuits. In recent months, he said, he received over 100 letters a week asking for money or jobs as a masseuse. He recently received a package of gold-tinted condoms.

It has been a long, strange journey from Coney Island, where Mr. Epstein grew up in middle-class surroundings. He taught briefly at Dalton, the Manhattan private school, and then joined Bear Stearns, becoming a derivatives specialist. He struck out on his own in the 1980s.

His business is something of a mystery. He says he manages money for billionaires, but the only client he is willing to disclose is Leslie H. Wexner, the founder of Limited Brands.

As Mr. Epstein explains it, he provides a specialized form of superelite financial advice. He counsels people on everything from taxes and trusts to prenuptial agreements and paternity suits, and even provides interior decorating tips for private jets. Industry sources say he charges flat annual fees ranging from \$25 million to more than \$100 million.

As it became clear that he was headed for jail, Mr. Epstein has tried to put on a brave face.

“Your body can be confined, but not your mind,” he said in a recent interview by phone.

But the strains were showing. “I am anxious,” he said in another recent interview, referring to how inmates would treat him. “I make a great effort to treat people equally, but I recognize that I might be perceived as one of the New York arrogant rich.”

Jail will certainly be a big change. Mr. Epstein is a man of precise, at times unconventional, habits. He starts his mornings with a secret-ingredient bran muffin prepared by his chef. He seems to have a germ phobia. He never wears a suit, preferring monogrammed sweatsuits and jeans. And he rarely attends meetings — “I never have to be anywhere,” he tells his pilots, when he cautions them to avoid flying through chancy weather.

Looking back, Mr. Epstein admits that his behavior was inappropriate. “I am not blameless,” he said. He said he has taken steps to make sure the same thing never happens again.

For starters, Mr. Epstein has hired a full-time male masseur (the man happens to be a former Ultimate Fighting champion). He also has organized what he calls a board of directors of friends to counsel him on his behavior.

And Mr. Epstein has changed his e-mail address to alert people that he will be unavailable for the next 18 months. The new address indicates he is “on vacation.”